

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

THE DETROIT EDISON COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

STIPULATION FOR CONSENT JUDGMENT

The parties, Petitioner THE DETROIT EDISON COMPANY, Respondent City of Madison Heights, and the Intervening Respondent STATE OF MICHIGAN, DEPARTMENT OF TREASURY, hereby stipulate and agree as follows:

1. The subject property is utility personal property for tax assessment purposes.
2. A dispute exists between the parties as to the correct true cash, assessed and taxable values of the subject property, whether the Respondent has utilized proper assessment methods, whether Petitioner has fully reported the subject property, and whether Petitioner has paid or must pay taxes as billed.
3. The parties wish to avoid the payment of refunds, interest, and penalties for the tax years at issue in exchange, in part, for certain agreements and performance in future tax years. The parties recognize that procuring performance in future tax years is uncertain, and the parties therefore wish to agree to specific enforceable consequences in the form of Tribunal ordered changes in values for those tax years now under the Tribunal's jurisdiction in the event that the future performance set forth in this Stipulation does not occur. The parties agree that the values as identified in the attached Schedule to Consent Judgment may be reduced

at certain specified times to facilitate the payment of additional funds to school districts that may be required under the State School Aid Act.

4. The parties desire to settle their dispute by agreeing to the entry of the attached Consent Judgment and Schedule to Consent Judgment, in consideration for the following agreements:
 - A. For purposes of this Stipulation For Consent Judgment, the Consent Judgment and Schedule to Consent Judgment, the phrase "Capitalized Costs" means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements.
 - B. The Respondent, including its agents, its assessor and its board of review, agree to use the State Tax Commission's ("STC") 2005 personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in valuing the subject property and additions of the Petitioner for tax years 2006, 2007 and 2008.
 - C. If Respondent sets 2006 assessed, taxable, and state equalized values (hereafter "Values") higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1997 tax year setting 1997 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2007 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1998 tax year setting 1998 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2008 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1999 tax year setting 1999 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables. The notice provisions and opportunity to cure conditions for this relief are set forth in the Consent Judgment.
 - D. The parties agree that values for the 2000-2004 tax years should be changed by the Tribunal pursuant to the time deadlines set forth in the attached Schedule to Consent Judgment. The 2000-2004 values are to be set at levels that are consistent with Petitioner's

payment of the tax bills for such tax years and which will eliminate any claims by any person for interest, penalties, or other charges or consequences for an alleged partial payment of tax bills including, but not limited to, liens, seizure actions, loss or revocation of Renaissance Zone benefits, or other benefits conditioned upon payment of property taxes, all of which (if any) will be reinstated upon entry of the Consent Judgment.

- E. The true cash, assessed, state equalized and taxable values for the 2005 tax year will be based upon Capitalized Costs valued pursuant to STC 2005 tables as reflected in the attached Schedule to Consent Judgment.
- F. Petitioner agrees to report for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as «Respondent» uses 2005 STC personal property multiplier tables to value such reported costs. The parties agree that for purposes of any petition filed by them under MCL 211.154 for any of the 2006, 2007, and 2008 tax years that Capitalized Costs constitute tangible personal property reportable for Michigan personal property tax purposes. Consistent with the first sentence of this paragraph, such agreement on the part of Petitioner is binding only to the extent Respondent used the 2005 STC personal property multipliers to value its reported costs.
- G. Upon receiving the attached Consent Judgment after it is entered by the Tribunal, the parties will dismiss with prejudice any cases filed under MCL §211.154 now pending before the State Tax Commission and no party will file for the 2004, 2005 and prior tax years, any MCL §211.154 cases.
- H. In 2006, 2007 and 2008, Petitioner agrees that by May 1 of the applicable tax year it will provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements filed with each local governmental unit, and with a cost reconciliation document as set forth in the attached Reconciliation Schedule. Petitioner has agreed to provide these documents to Staff so that it may compare personal property costs reported to taxing jurisdictions with personal property costs capitalized for MPSC rate-making purposes. Intervening Respondent agrees the personal property statements are confidential under MCL §211.23 and will keep such statements confidential.
- I. The Intervening Respondent agrees that its Staff shall undertake the verification described in subparagraph H above and shall complete its review by November 15 of the tax year at issue.

- J. The parties hereby waive and release all claims they may have against each other, their employees, officers, and agents, relating to personal property taxes for the subject property and tax parcel number including claims relating to the valuation of the property, state equalized value of the property, the reporting of such property's cost for personal property purposes, for refunds including refunds as a result of any changes in value of such property, claims for any additional or excess payment of taxes as billed by «Respondent», and all claims for interest and penalties.
5. This Stipulation for Consent Judgment shall be binding upon the parties only if Petitioner and its sister company, Michigan Consolidated Gas Company ("MichCon"), receives, by December 9, 2005, executed Stipulations For Consent Judgment, in the same form as this Stipulation for Consent Judgment and attachments, for each Pending Tribunal Case in the City of Detroit, the City of Warren, the City of Southfield, the City of Grand Rapids, and the City of Dearborn, and for each Pending Tribunal Case in one-half or 50% of the following taxing jurisdictions: City of Ann Arbor, City of Taylor, City of Lincoln Park, Canton Twp., Redford Twp., City of River Rouge, City of Romulus, City of Allen Park, City of Woodhaven, Ypsilanti Twp., Van Buren Twp., City of Westland, City of Hamtramck, and City of Dearborn Heights. For purposes of this Stipulation, "Pending Tribunal Cases" means MichCon's and Detroit Edison's currently pending cases in the Michigan Tax Tribunal challenging primarily the values placed by local taxing jurisdictions upon their gas distribution, electric transmission, and electric distribution personal property.

This Stipulation, proposed Consent Judgment, and Schedule to Consent Judgment constitute the entire agreement between the parties, written or otherwise, as to the property's assessments for the tax years at issue. The parties agree that their stipulation regarding the subject property's true cash, assessed and taxable values is only for settlement purposes.

The parties hereby stipulate to entry of a Consent Judgment and Schedule to Consent Judgment in the form attached to this Stipulation.

(Remainder of Page Intentionally Left Blank)

HONIGMAN MILLER SCHWARTZ AND COHN LLP
Attorneys for Petitioner

<<RESPONDENT>>

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600 Woodward Ave.
Detroit, MI 48226
(313) 465-7544

By: _____
<<AttyAssr>>
<<Address_Line_1>>
<<Address_Line_2>>
<<CityStateZip>>

Dated: _____

Dated: _____

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY**

and

By: _____
ROSS H. BISHOP (P25973)
Assistant Attorney General
525 W. Ottawa - 2nd Floor
P.O. Box 30754
Lansing, MI 48909
(517) 373-3203

By: _____
(SIGNATURE)

(PRINTED NAME)

Its: _____
(An Official Authorized to Execute Contracts)

Dated: _____

Dated: _____

and

TREASURER

By: _____
(SIGNATURE)

(PRINTED NAME)
Treasurer for <<Respondent>>

Dated: _____

| Detroit Edison | |
|---|------|
| | |
| Stipulation Attachment | |
| | |
| Reconciliation Schedule | |
| Tax Year 20xx for Assets as of 12/31/xx | |
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| | |
| Utility Plant (101-106,114) | \$ - |
| Construction Work In Progress - 107 | - |
| Net Nuclear Fuel | - |
| Non-Utility Plant (121) | - |
| Total MPSC Costs | \$ - |
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| Adjustments | |
| Intangible Plant - DECO | \$ - |
| CWIP Real DECO - 107 | - |
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| Real Property - DECO | - |
| Other | - |
| Capital Leases | - |
| FASB 143 | - |
| Non-Reportable Personal Property | - |
| Vehicles | - |
| Midwest Energy Resources Company | - |
| Exemptions | - |
| Abatements | - |
| Other Costs | - |
| Reported Personal Property Cost other than T & D | - |
| Total Adjustments | \$ - |
| | |
| Net MPSC Costs | \$ - |
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| Reported Personal Property Costs other than T & D | - |
| | |
| Reportable Tangible Personal Property | \$ - |

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

THE DETROIT EDISON COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

CONSENT JUDGMENT

TRIBUNAL JUDGE PRESIDING

Petitioner, Respondent and the Intervening Respondent have entered into a stipulation, which is attached to this Consent Judgment, incorporated by reference herein and accepted by the Tribunal. In their stipulation these parties have agreed to the taxable values, true cash values and state equalized valuations of utility personal property in the amounts shown on the attached schedule, and have agreed that the revised 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 taxable values, assessments and state equalized values, as shown on the attached schedule, will be entered on the assessment rolls at the times indicated and, for the 1997-1999 tax years, if certain conditions occur.

The parties have also agreed to waive certain refunds, interest, and penalties in exchange for specific future performance, and have specified the consequences of a failure to perform.

The parties have defined the term "Capitalized Costs" in the Stipulation, which will be used in this Consent Judgment and means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements;

The stipulation has been accepted by the Michigan Tax Tribunal, and

IT IS HEREBY ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the years shown above shall correct or cause the assessment rolls to be corrected to reflect assessment, taxable value and state equalized value for the year 2005 in the amounts shown on the attached schedule, subject to the process of equalization, within 20 days after entry of this Judgment.

IT IS FURTHER ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the 2000-2004 tax years shall correct or cause the assessment rolls to be corrected to reflect assessments, taxable values and state equalized values in the amounts shown on the attached schedule, subject to the process of equalization, on or within thirty (30) days after October 1, 2007 for the 2000 tax year; on or within thirty (30) days after October 1, 2008 for the 2001 tax year; on or within thirty (30) days after October 1, 2009 for the 2002 tax year; and on or within thirty (30) days after October 1, 2010 for the 2003 and 2004 tax years.

IT IS FURTHER ORDERED AND ADJUDGED that the resulting assessment(s), as equalized, shall equal but shall not exceed 50% of the true cash value shown on the attached schedule.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Respondent, the Respondent, including its assessor and board of review, shall utilize the STC's 2005 STC personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in establishing the true cash, assessed and taxable values of the subject property for the next three (3) tax years, 2006, 2007 and 2008.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Petitioner, the Property Tax Administrator of Petitioner shall report, for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC Tables to value such reported costs. Petitioner will, by May 1 of the applicable tax year, provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements after they are filed with each local governmental unit, and with a cost reconciliation document in the format of the Reconciliation Schedule attached to the parties' Stipulation so that Staff may compare personal property costs reported to taxing jurisdictions with Capitalized Costs. The personal property statements shall be kept confidential. Staff shall report its findings to the STC by November 15 of the tax year at issue.

IT IS FURTHER ORDERED AND ADJUDGED, in accordance with the agreement of the parties, that:

- A. In the event the Respondent fails to utilize the 2005 STC tables, including 2005 Table H for gas distribution assets and Table I for electric transmission and distribution assets, in valuing the subject property and any additions, for any of the tax years 2006, 2007 or 2008, the Petitioner may return to the Tribunal for enforcement of this Consent Judgment. Upon reasonable proof through Affidavit accompanied by supporting

documentation that the Respondent has failed to utilize the 2005 STC tables, the Tribunal, after an evidentiary hearing finding that Respondent has failed to utilize the 2005 STC tables, shall revise the 1997, 1998, or 1999 tax year true cash, assessed and taxable values to the amounts shown in the Schedule to Consent Judgment, and the Respondent shall become liable for the refund of the resulting tax reduction, together with all interest as provided by law. However, if the Respondent files a motion with the Tribunal within the applicable statutory deadline for amending a petition to add the applicable tax year at issue to this case and requests a correction of the assessment roll to reflect values based upon Capitalized Costs and the 2005 tax tables, the Tribunal shall adjust the applicable year assessment roll in a manner described in this paragraph in lieu of revising the assessment roll for the 1997, 1998 or 1999 tax year. Specifically, the revised 1997 values will be entered if the 2006 values exceed those values which would be based upon 2005 STC multiplier tables applied to Capitalized Costs; the revised 1998 values will be entered if the 2007 values exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; the revised 1999 values will be entered if the 2008 values would exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; unless, for the applicable year, Petitioner has failed to provide the personal property statements and Reconciliation Schedule to Staff by May 1 of the applicable tax year, Petitioner, through its Property Tax Administrator, has been notified of such failure by Staff for the applicable tax year; and has not cured such failure within thirty (30) days of receiving Staff's notice.

- B. In the event the Petitioner fails to report for Michigan personal property tax purposes, Capitalized Costs for tax years 2006, 2007 or 2008, the Respondent may return to the Tribunal for enforcement of this Consent Judgment or the Respondent may file a petition pursuant to MCL 211.154 with the State Tax Commission.

The Tribunal retains jurisdiction of this case to enforce the terms of this Consent Judgment. Unless one of the parties files a notice with the Tribunal by December 31, 2010 indicating a possible default with respect to another party's performance hereunder then the Tribunal may issue a final order closing this docket.

The property is located in <<Respondent>>, <<County>> County, <<Schools>> and <<ISD>>.

MICHIGAN TAX TRIBUNAL

Entered:

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

THE DETROIT EDISON COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

STIPULATION FOR CONSENT JUDGMENT

The parties, Petitioner THE DETROIT EDISON COMPANY, Respondent <<Respondent>>, and the Intervening Respondent STATE OF MICHIGAN, DEPARTMENT OF TREASURY, hereby stipulate and agree as follows:

1. The subject property is utility personal property for tax assessment purposes.
2. A dispute exists between the parties as to the correct true cash, assessed and taxable values of the subject property, whether the Respondent has utilized proper assessment methods, whether Petitioner has fully reported the subject property, and whether Petitioner has paid or must pay taxes as billed.
3. The parties wish to avoid the payment of refunds, interest, and penalties for the tax years at issue in exchange, in part, for certain agreements and performance in future tax years. The parties recognize that procuring performance in future tax years is uncertain, and the parties therefore wish to agree to specific enforceable consequences in the form of Tribunal ordered changes in values for those tax years now under the Tribunal's jurisdiction in the event that the future performance set forth in this Stipulation does not occur. The parties agree that the values as identified in the attached Schedule to Consent Judgment may be reduced

at certain specified times to facilitate the payment of additional funds to school districts that may be required under the State School Aid Act.

4. The parties desire to settle their dispute by agreeing to the entry of the attached Consent Judgment and Schedule to Consent Judgment, in consideration for the following agreements:
 - A. For purposes of this Stipulation For Consent Judgment, the Consent Judgment and Schedule to Consent Judgment, the phrase "Capitalized Costs" means the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements.
 - B. The Respondent, including its agents, its assessor and its board of review, agree to use the State Tax Commission's ("STC") 2005 personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in valuing the subject property and additions of the Petitioner for tax years 2006, 2007 and 2008.
 - C. If Respondent sets 2006 assessed, taxable, and state equalized values (hereafter "Values") higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1998 tax year setting 1998 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2007 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1999 tax year setting 1999 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables. The notice provisions and opportunity to cure conditions for this relief are set forth in the Consent Judgment.
 - D. The parties agree that values for the 2000-2004 tax years should be changed by the Tribunal pursuant to the time deadlines set forth in the attached Schedule to Consent Judgment. The 2000-2004 values are to be set at levels that are consistent with Petitioner's payment of the tax bills for such tax years and which will eliminate any claims by any person for interest, penalties, or other charges or consequences for an alleged partial payment of tax bills including, but not limited to, liens, seizure actions, loss or revocation of Renaissance Zone benefits, or other benefits conditioned upon

payment of property taxes, all of which (if any) will be reinstated upon entry of the Consent Judgment.

- E. The true cash, assessed, state equalized and taxable values for the 2005 tax year will be based upon Capitalized Costs valued pursuant to STC 2005 tables as reflected in the attached Schedule to Consent Judgment.
- F. Petitioner agrees to report for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC personal property multiplier tables to value such reported costs. The parties agree that for purposes of any petition filed by them under MCL 211.154 for any of the 2006, 2007, and 2008 tax years that Capitalized Costs constitute tangible personal property reportable for Michigan personal property tax purposes. Consistent with the first sentence of this paragraph, such agreement on the part of Petitioner is binding only to the extent Respondent used the 2005 STC personal property multipliers to value its reported costs.
- G. Upon receiving the attached Consent Judgment after it is entered by the Tribunal, the parties will dismiss with prejudice any cases filed under MCL §211.154 now pending before the State Tax Commission and no party will file for the 2004, 2005 and prior tax years, any MCL §211.154 cases.
- H. In 2006, 2007 and 2008, Petitioner agrees that by May 1 of the applicable tax year it will provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements filed with each local governmental unit, and with a cost reconciliation document as set forth in the attached Reconciliation Schedule. Petitioner has agreed to provide these documents to Staff so that it may compare personal property costs reported to taxing jurisdictions with personal property costs capitalized for MPSC rate-making purposes. Intervening Respondent agrees the personal property statements are confidential under MCL §211.23 and will keep such statements confidential.
- I. The Intervening Respondent agrees that its Staff shall undertake the verification described in subparagraph H above and shall complete its review by November 15 of the tax year at issue.
- J. The parties hereby waive and release all claims they may have against each other, their employees, officers, and agents, relating to personal property taxes for the subject property and tax parcel number including claims relating to the valuation of the property, state equalized value of the property, the reporting of such

property's cost for personal property purposes, for refunds including refunds as a result of any changes in value of such property, claims for any additional or excess payment of taxes as billed by Respondent, and all claims for interest and penalties.

5. This Stipulation for Consent Judgment shall be binding upon the parties only if Petitioner and its sister company, Michigan Consolidated Gas Company ("MichCon"), a) by October 7, 2005, shall have entered into an economic settlement agreement with Treasury concerning certain single business tax issues pending in the Court of Claims ("SBT Settlement"), and b) receive, by December 9, 2005, executed Stipulations For Consent Judgment, in the same form as this Stipulation for Consent Judgment and attachments, for each Pending Tribunal Case in the City of Detroit, the City of Warren, the City of Southfield, the City of Grand Rapids, and the City of Dearborn, and for each Pending Tribunal Case in one-half or 50% of the following taxing jurisdictions: City of Ann Arbor, City of Taylor, City of Lincoln Park, Canton Twp., Redford Twp., City of River Rouge, City of Romulus, City of Allen Park, City of Woodhaven, Ypsilanti Twp., Van Buren Twp., City of Westland, City of Hamtramck, and City of Dearborn Heights. For purposes of this Stipulation, "Pending Tribunal Cases" means MichCon's and Detroit Edison's currently pending cases in the Michigan Tax Tribunal challenging primarily the values placed by local taxing jurisdictions upon their gas distribution, electric transmission, and electric distribution personal property.

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HONIGMAN MILLER SCHWARTZ AND COHN LLP
Attorneys for Petitioner

<<RESPONDENT>>

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Detroit, MI 48226
(313) 465-7544

By: _____
<<AttyAssr>>
<<Address_Line_1>>
<<Address_Line_2>>
<<CityStateZip>>

Dated: _____

Dated: _____

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY**

and

By: _____
ROSS H. BISHOP (P25973)
Assistant Attorney General
525 W. Ottawa - 2nd Floor
P.O. Box 30754
Lansing, MI 48909
(517) 373-3203

By: _____
(SIGNATURE)

(PRINTED NAME)

Its: _____
(An Official Authorized to Execute Contracts)

Dated: _____

Dated: _____

and

TREASURER

By: _____
(SIGNATURE)

(PRINTED NAME)
Treasurer for <<Respondent>>

Dated: _____

| Detroit Edison | |
|---|------|
| | |
| Stipulation Attachment | |
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| Reconciliation Schedule | |
| Tax Year 20xx for Assets as of 12/31/xx | |
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**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

THE DETROIT EDISON COMPANY,

Petitioner,

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Docket No. <<DocketNo>>

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**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

CONSENT JUDGMENT

TRIBUNAL JUDGE PRESIDING

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The parties have defined the term "Capitalized Costs" in the Stipulation, which will be used in this Consent Judgment and means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission

rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements;

The stipulation has been accepted by the Michigan Tax Tribunal, and

IT IS HEREBY ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the years shown above shall correct or cause the assessment rolls to be corrected to reflect assessment, taxable value and state equalized value for the year 2005 in the amounts shown on the attached schedule, subject to the process of equalization, within 20 days after entry of this Judgment.

IT IS FURTHER ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the 2000-2004 tax years shall correct or cause the assessment rolls to be corrected to reflect assessments, taxable values and state equalized values in the amounts shown on the attached schedule, subject to the process of equalization, on or within thirty (30) days after October 1, 2007 for the 2000 tax year; on or within thirty (30) days after October 1, 2008 for the 2001 tax year; on or within thirty (30) days after October 1, 2009 for the 2002 tax year; and on or within thirty (30) days after October 1, 2010 for the 2003 and 2004 tax years.

IT IS FURTHER ORDERED AND ADJUDGED that the resulting assessment(s), as equalized, shall equal but shall not exceed 50% of the true cash value shown on the attached schedule.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Respondent, the Respondent, including its assessor and board of review, shall utilize the STC's 2005 STC personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in establishing the true cash, assessed and taxable values of the subject property for the next three (3) tax years, 2006, 2007 and 2008.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Petitioner, the Property Tax Administrator of Petitioner shall report, for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC Tables to value such reported costs. Petitioner will, by May 1 of the applicable tax year, provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements after they are filed with each local governmental unit, and with a cost reconciliation document in the format of the Reconciliation Schedule attached to the parties' Stipulation so that Staff may compare personal property costs reported to taxing jurisdictions with Capitalized Costs. The personal property statements shall be kept confidential. Staff shall report its findings to the STC by November 15 of the tax year at issue.

IT IS FURTHER ORDERED AND ADJUDGED, in accordance with the agreement of the parties, that:

- A. In the event the Respondent fails to utilize the 2005 STC tables, including 2005 Table H for gas distribution assets and Table I for electric

transmission and distribution assets, in valuing the subject property and any additions, for any of the tax years 2006 or 2007, the Petitioner may return to the Tribunal for enforcement of this Consent Judgment. Upon reasonable proof through Affidavit accompanied by supporting documentation that the Respondent has failed to utilize the 2005 STC tables, the Tribunal, after an evidentiary hearing finding that Respondent has failed to utilize the 2005 STC tables, shall revise the 1998 or 1999 tax year true cash, assessed and taxable values to the amounts shown in the Schedule to Consent Judgment, and the Respondent shall become liable for the refund of the resulting tax reduction, together with all interest as provided by law. However, if the Respondent files a motion with the Tribunal within the applicable statutory deadline for amending a petition to add the applicable tax year at issue to this case and requests a correction of the assessment roll to reflect values based upon Capitalized Costs and the 2005 tax tables, the Tribunal shall adjust the applicable year assessment roll in a manner described in this paragraph in lieu of revising the assessment roll for the 1998 or 1999 tax year. Specifically, the revised 1998 values will be entered if the 2006 values exceed those values which would be based upon 2005 STC multiplier tables applied to Capitalized Costs; the revised 1999 values will be entered if the 2007 values exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; unless, for the applicable year, Petitioner has failed to provide the personal property statements and Reconciliation Schedule to Staff by May 1 of the applicable tax year, Petitioner, through its Property Tax Administrator, has been notified of such failure by Staff for the applicable tax year; and has not cured such failure within thirty (30) days of receiving Staff's notice.

- B. In the event the Petitioner fails to report for Michigan personal property tax purposes, Capitalized Costs for tax years 2006, 2007 or 2008, the Respondent may return to the Tribunal for enforcement of this Consent Judgment or the Respondent may file a petition pursuant to MCL 211.154 with the State Tax Commission.

The Tribunal retains jurisdiction of this case to enforce the terms of this Consent Judgment. Unless one of the parties files a notice with the Tribunal by December 31, 2010 indicating a possible default with respect to another party's performance hereunder then the Tribunal may issue a final order closing this docket.

The property is located in <<Respondent>>, <<County>> County, <<Schools>> and <<ISD>>.

MICHIGAN TAX TRIBUNAL

Entered:

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

MICHIGAN CONSOLIDATED GAS COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

STIPULATION FOR CONSENT JUDGMENT

The parties, Petitioner MICHIGAN CONSOLIDATED GAS COMPANY, Respondent <<Respondent>>, and the Intervening Respondent STATE OF MICHIGAN, DEPARTMENT OF TREASURY, hereby stipulate and agree as follows:

1. The subject property is utility personal property for tax assessment purposes.
2. A dispute exists between the parties as to the correct true cash, assessed and taxable values of the subject property, whether the Respondent has utilized proper assessment methods, whether Petitioner has fully reported the subject property, and whether Petitioner has paid or must pay taxes as billed.
3. The parties wish to avoid the payment of refunds, interest, and penalties for the tax years at issue in exchange, in part, for certain agreements and performance in future tax years. The parties recognize that procuring performance in future tax years is uncertain, and the parties therefore wish to agree to specific enforceable consequences in the form of Tribunal ordered changes in values for those tax years now under the Tribunal's jurisdiction in the event that the future performance set forth in this Stipulation does not occur. The parties agree that the values as identified in the attached Schedule to Consent Judgment may be reduced

at certain specified times to facilitate the payment of additional funds to school districts that may be required under the State School Aid Act.

4. The parties desire to settle their dispute by agreeing to the entry of the attached Consent Judgment and Schedule to Consent Judgment, in consideration for the following agreements:
 - A. For purposes of this Stipulation For Consent Judgment, the Consent Judgment and Schedule to Consent Judgment, the phrase "Capitalized Costs" means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements.
 - B. The Respondent, including its agents, its assessor and its board of review, agree to use the State Tax Commission's ("STC") 2005 personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in valuing the subject property and additions of the Petitioner for tax years 2006, 2007 and 2008.
 - C. If Respondent sets 2006 assessed, taxable, and state equalized values (hereafter "Values") higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1997 tax year setting 1997 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2007 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1998 tax year setting 1998 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2008 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1999 tax year setting 1999 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables. The notice provisions and opportunity to cure conditions for this relief are set forth in the Consent Judgment.
 - D. The parties agree that values for the 2000-2004 tax years should be changed by the Tribunal pursuant to the time deadlines set forth in the attached Schedule to Consent Judgment. The 2000-2004 values are to be set at levels that are consistent with Petitioner's

payment of the tax bills for such tax years and which will eliminate any claims by any person for interest, penalties, or other charges or consequences for an alleged partial payment of tax bills including, but not limited to, liens, seizure actions, loss or revocation of Renaissance Zone benefits, or other benefits conditioned upon payment of property taxes, all of which (if any) will be reinstated upon entry of the Consent Judgment.

- E. The true cash, assessed, state equalized and taxable values for the 2005 tax year will be based upon Capitalized Costs valued pursuant to STC 2005 tables as reflected in the attached Schedule to Consent Judgment.
- F. Petitioner agrees to report for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC personal property multiplier tables to value such reported costs. The parties agree that for purposes of any petition filed by them under MCL 211.154 for any of the 2006, 2007, and 2008 tax years that Capitalized Costs constitute tangible personal property reportable for Michigan personal property tax purposes. Consistent with the first sentence of this paragraph, such agreement on the part of Petitioner is binding only to the extent Respondent used the 2005 STC personal property multipliers to value its reported costs.
- G. Upon receiving the attached Consent Judgment after it is entered by the Tribunal, the parties will dismiss with prejudice any cases filed under MCL §211.154 now pending before the State Tax Commission and no party will file for the 2004, 2005 and prior tax years, any MCL §211.154 cases.
- H. In 2006, 2007 and 2008, Petitioner agrees that by May 1 of the applicable tax year it will provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements filed with each local governmental unit, and with a cost reconciliation document as set forth in the attached Reconciliation Schedule. Petitioner has agreed to provide these documents to Staff so that it may compare personal property costs reported to taxing jurisdictions with personal property costs capitalized for MPSC rate-making purposes. Intervening Respondent agrees the personal property statements are confidential under MCL §211.23 and will keep such statements confidential.
- I. The Intervening Respondent agrees that its Staff shall undertake the verification described in subparagraph H above and shall complete its review by November 15 of the tax year at issue.

- J. The parties hereby waive and release all claims they may have against each other, their employees, officers, and agents, relating to personal property taxes for the subject property and tax parcel number including claims relating to the valuation of the property, state equalized value of the property, the reporting of such property's cost for personal property purposes, for refunds including refunds as a result of any changes in value of such property, claims for any additional or excess payment of taxes as billed by «Respondent», and all claims for interest and penalties.
5. This Stipulation for Consent Judgment shall be binding upon the parties only if Petitioner and its sister company, Michigan Consolidated Gas Company ("MichCon"), receives, by December 9, 2005, executed Stipulations For Consent Judgment, in the same form as this Stipulation for Consent Judgment and attachments, for each Pending Tribunal Case in the City of Detroit, the City of Warren, the City of Southfield, the City of Grand Rapids, and the City of Dearborn, and for each Pending Tribunal Case in one-half or 50% of the following taxing jurisdictions: City of Ann Arbor, City of Taylor, City of Lincoln Park, Canton Twp., Redford Twp., City of River Rouge, City of Romulus, City of Allen Park, City of Woodhaven, Ypsilanti Twp., Van Buren Twp., City of Westland, City of Hamtramck, and City of Dearborn Heights. For purposes of this Stipulation, "Pending Tribunal Cases" means MichCon's and Detroit Edison's currently pending cases in the Michigan Tax Tribunal challenging primarily the values placed by local taxing jurisdictions upon their gas distribution, electric transmission, and electric distribution personal property.

This Stipulation, proposed Consent Judgment, and Schedule to Consent Judgment constitute the entire agreement between the parties, written or otherwise, as to the property's assessments for the tax years at issue. The parties agree that their stipulation regarding the subject property's true cash, assessed and taxable values is only for settlement purposes.

The parties hereby stipulate to entry of a Consent Judgment and Schedule to Consent Judgment in the form attached to this Stipulation.

(Remainder of Page Intentionally Left Blank)

HONIGMAN MILLER SCHWARTZ AND COHN LLP
Attorneys for Petitioner

<<RESPONDENT>>

By: _____
STEVEN P. SCHNEIDER (P46605)
2290 First National Bldg.
600 Woodward Ave.
Detroit, MI 48226
(313) 465-7544

By: _____
<<AttyAssr>>
<<Address_Line_1>>
<<Address_Line_2>>
<<CityStateZip>>

Dated: _____

Dated: _____

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY**

and

By: _____
ROSS H. BISHOP (P25973)
Assistant Attorney General
525 W. Ottawa - 2nd Floor
P.O. Box 30754
Lansing, MI 48909
(517) 373-3203

By: _____
(SIGNATURE)

(PRINTED NAME)

Its: _____
(An Official Authorized to Execute Contracts)

Dated: _____

Dated: _____

and

TREASURER

By: _____
(SIGNATURE)

(PRINTED NAME)
Treasurer for <<Respondent>>

Dated: _____

| Michigan Consolidated Gas Company | |
|--|--------------|
| | |
| Stipulation Attachment | |
| | |
| Reconciliation Schedule | |
| Tax Year 20xx for Assets as of 12/31/xx | |
| | |
| | |
| | |
| | |
| | Total |
| Utility Plant (101 - 106, 114, 118) | \$ - |
| Construction Work In Progress (107) | - |
| Non-Utility Plant (121) | - |
| Capital Leases - Real Property | - |
| Total MPSC Costs | \$ - |
| | |
| | |
| | |
| <u>Adjustments:</u> | |
| Intangible Plant | \$ - |
| CWIP Real | - |
| Real Property | - |
| Non-Reportable Personal Property | - |
| Vehicles | - |
| Underground Storage | - |
| Buildings on Leased Land | - |
| Vector Pipeline | - |
| Exemptions | - |
| FASB 143 | - |
| Reported Personal Property Cost other than T & D | - |
| Total Adjustments | \$ - |
| | |
| Net MPSC Costs | \$ - |
| | |
| | |
| Personal Property Costs per Renditions | \$ - |
| | |
| Adjustments: | - |
| | |
| Reported Tangible Personal Property | \$ - |

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

MICHIGAN CONSOLIDATED GAS COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

CONSENT JUDGMENT

TRIBUNAL JUDGE PRESIDING

Petitioner, Respondent and the Intervening Respondent have entered into a stipulation, which is attached to this Consent Judgment, incorporated by reference herein and accepted by the Tribunal. In their stipulation these parties have agreed to the taxable values, true cash values and state equalized valuations of utility personal property in the amounts shown on the attached schedule, and have agreed that the revised 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 taxable values, assessments and state equalized values, as shown on the attached schedule, will be entered on the assessment rolls at the times indicated and, for the 1997-1999 tax years, if certain conditions occur.

The parties have also agreed to waive certain refunds, interest, and penalties in exchange for specific future performance, and have specified the consequences of a failure to perform.

The parties have defined the term "Capitalized Costs" in the Stipulation, which will be used in this Consent Judgment and means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements;

The stipulation has been accepted by the Michigan Tax Tribunal, and

IT IS HEREBY ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the years shown above shall correct or cause the assessment rolls to be corrected to reflect assessment, taxable value and state equalized value for the year 2005 in the amounts shown on the attached schedule, subject to the process of equalization, within 20 days after entry of this Judgment.

IT IS FURTHER ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the 2000-2004 tax years shall correct or cause the assessment rolls to be corrected to reflect assessments, taxable values and state equalized values in the amounts shown on the attached schedule, subject to the process of equalization, on or within thirty (30) days after October 1, 2007 for the 2000 tax year; on or within thirty (30) days after October 1, 2008 for the 2001 tax year; on or within thirty (30) days after October 1, 2009 for the 2002 tax year; and on or within thirty (30) days after October 1, 2010 for the 2003 and 2004 tax years.

IT IS FURTHER ORDERED AND ADJUDGED that the resulting assessment(s), as equalized, shall equal but shall not exceed 50% of the true cash value shown on the attached schedule.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Respondent, the Respondent, including its assessor and board of review, shall utilize the STC's 2005 STC personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in establishing the true cash, assessed and taxable values of the subject property for the next three (3) tax years, 2006, 2007 and 2008.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Petitioner, the Property Tax Administrator of Petitioner shall report, for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC Tables to value such reported costs. Petitioner will, by May 1 of the applicable tax year, provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements after they are filed with each local governmental unit, and with a cost reconciliation document in the format of the Reconciliation Schedule attached to the parties' Stipulation so that Staff may compare personal property costs reported to taxing jurisdictions with Capitalized Costs. The personal property statements shall be kept confidential. Staff shall report its findings to the STC by November 15 of the tax year at issue.

IT IS FURTHER ORDERED AND ADJUDGED, in accordance with the agreement of the parties, that:

- A. In the event the Respondent fails to utilize the 2005 STC tables, including 2005 Table H for gas distribution assets and Table I for electric transmission and distribution assets, in valuing the subject property and any additions, for any of the tax years 2006, 2007 or 2008, the Petitioner may return to the Tribunal for enforcement of this Consent Judgment.

Upon reasonable proof through Affidavit accompanied by supporting documentation that the Respondent has failed to utilize the 2005 STC tables, the Tribunal, after an evidentiary hearing finding that Respondent has failed to utilize the 2005 STC tables, shall revise the 1997, 1998, or 1999 tax year true cash, assessed and taxable values to the amounts shown in the Schedule to Consent Judgment, and the Respondent shall become liable for the refund of the resulting tax reduction, together with all interest as provided by law. However, if the Respondent files a motion with the Tribunal within the applicable statutory deadline for amending a petition to add the applicable tax year at issue to this case and requests a correction of the assessment roll to reflect values based upon Capitalized Costs and the 2005 tax tables, the Tribunal shall adjust the applicable year assessment roll in a manner described in this paragraph in lieu of revising the assessment roll for the 1997, 1998 or 1999 tax year. Specifically, the revised 1997 values will be entered if the 2006 values exceed those values which would be based upon 2005 STC multiplier tables applied to Capitalized Costs; the revised 1998 values will be entered if the 2007 values exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; the revised 1999 values will be entered if the 2008 values would exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; unless, for the applicable year, Petitioner has failed to provide the personal property statements and Reconciliation Schedule to Staff by May 1 of the applicable tax year, Petitioner, through its Property Tax Administrator, has been notified of such failure by Staff for the applicable tax year; and has not cured such failure within thirty (30) days of receiving Staff's notice.

- B. In the event the Petitioner fails to report for Michigan personal property tax purposes, Capitalized Costs for tax years 2006, 2007 or 2008, the Respondent may return to the Tribunal for enforcement of this Consent Judgment or the Respondent may file a petition pursuant to MCL 211.154 with the State Tax Commission.

The Tribunal retains jurisdiction of this case to enforce the terms of this Consent Judgment. Unless one of the parties files a notice with the Tribunal by December 31, 2010 indicating a possible default with respect to another party's performance hereunder then the Tribunal may issue a final order closing this docket.

The property is located in <<Respondent>>, <<County>> County, <<Schools>> and <<ISD>>.

MICHIGAN TAX TRIBUNAL

Entered:

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

MICHIGAN CONSOLIDATED GAS COMPANY,

Petitioner,
v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

STIPULATION FOR CONSENT JUDGMENT

The parties, Petitioner MICHIGAN CONSOLIDATED GAS COMPANY, Respondent <<Respondent>>, and the Intervening Respondent STATE OF MICHIGAN, DEPARTMENT OF TREASURY, hereby stipulate and agree as follows:

1. The subject property is utility personal property for tax assessment purposes.
2. A dispute exists between the parties as to the correct true cash, assessed and taxable values of the subject property, whether the Respondent has utilized proper assessment methods, whether Petitioner has fully reported the subject property, and whether Petitioner has paid or must pay taxes as billed.
3. The parties wish to avoid the payment of refunds, interest, and penalties for the tax years at issue in exchange, in part, for certain agreements and performance in future tax years. The parties recognize that procuring performance in future tax years is uncertain, and the parties therefore wish to agree to specific enforceable consequences in the form of Tribunal ordered changes in values for those tax years now under the Tribunal's jurisdiction in the event that the future performance set forth in this Stipulation does not occur. The parties agree that the values as identified in the attached Schedule to Consent Judgment may be reduced

at certain specified times to facilitate the payment of additional funds to school districts that may be required under the State School Aid Act.

4. The parties desire to settle their dispute by agreeing to the entry of the attached Consent Judgment and Schedule to Consent Judgment, in consideration for the following agreements:
 - A. For purposes of this Stipulation For Consent Judgment, the Consent Judgment and Schedule to Consent Judgment, the phrase "Capitalized Costs" means the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements.
 - B. The Respondent, including its agents, its assessor and its board of review, agree to use the State Tax Commission's ("STC") 2005 personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report;" hereafter, the "2005 STC Tables") in valuing the subject property and additions of the Petitioner for tax years 2006, 2007 and 2008.
 - C. If Respondent sets 2006 assessed, taxable, and state equalized values (hereafter "Values") higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1998 tax year setting 1998 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables; if Respondent sets 2007 Values higher than those values which would be based upon current 2005 STC tables and Capitalized Costs, then the Tribunal will enter judgment for the 1999 tax year setting 1999 Values shown on the attached Schedule to Consent Judgment, which would be based upon Capitalized Costs and the 2005 STC tables. The notice provisions and opportunity to cure conditions for this relief are set forth in the Consent Judgment.
 - D. The parties agree that values for the 2000-2004 tax years should be changed by the Tribunal pursuant to the time deadlines set forth in the attached Schedule to Consent Judgment. The 2000-2004 values are to be set at levels that are consistent with Petitioner's payment of the tax bills for such tax years and which will eliminate any claims by any person for interest, penalties, or other charges or consequences for an alleged partial payment of tax bills including, but not limited to, liens, seizure actions, loss or revocation of Renaissance Zone benefits, or other benefits conditioned upon

payment of property taxes, all of which (if any) will be reinstated upon entry of the Consent Judgment.

- E. The true cash, assessed, state equalized and taxable values for the 2005 tax year will be based upon Capitalized Costs valued pursuant to STC 2005 tables as reflected in the attached Schedule to Consent Judgment.
- F. Petitioner agrees to report for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC personal property multiplier tables to value such reported costs. The parties agree that for purposes of any petition filed by them under MCL 211.154 for any of the 2006, 2007, and 2008 tax years that Capitalized Costs constitute tangible personal property reportable for Michigan personal property tax purposes. Consistent with the first sentence of this paragraph, such agreement on the part of Petitioner is binding only to the extent Respondent used the 2005 STC personal property multipliers to value its reported costs.
- G. Upon receiving the attached Consent Judgment after it is entered by the Tribunal, the parties will dismiss with prejudice any cases filed under MCL §211.154 now pending before the State Tax Commission and no party will file for the 2004, 2005 and prior tax years, any MCL §211.154 cases.
- H. In 2006, 2007 and 2008, Petitioner agrees that by May 1 of the applicable tax year it will provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements filed with each local governmental unit, and with a cost reconciliation document as set forth in the attached Reconciliation Schedule. Petitioner has agreed to provide these documents to Staff so that it may compare personal property costs reported to taxing jurisdictions with personal property costs capitalized for MPSC rate-making purposes. Intervening Respondent agrees the personal property statements are confidential under MCL §211.23 and will keep such statements confidential.
- I. The Intervening Respondent agrees that its Staff shall undertake the verification described in subparagraph H above and shall complete its review by November 15 of the tax year at issue.
- J. The parties hereby waive and release all claims they may have against each other, their employees, officers, and agents, relating to personal property taxes for the subject property and tax parcel number including claims relating to the valuation of the property, state equalized value of the property, the reporting of such

property's cost for personal property purposes, for refunds including refunds as a result of any changes in value of such property, claims for any additional or excess payment of taxes as billed by Respondent, and all claims for interest and penalties.

5. This Stipulation for Consent Judgment shall be binding upon the parties only if Petitioner and its sister company, The Detroit Edison Company ("Detroit Edison"), a) by October 7, 2005, shall have entered into an economic settlement agreement with Treasury concerning certain single business tax issues pending in the Court of Claims ("SBT Settlement"), and b) receive, by December 9, 2005, executed Stipulations For Consent Judgment, in the same form as this Stipulation for Consent Judgment and attachments, for each Pending Tribunal Case in the City of Detroit, the City of Warren, the City of Southfield, the City of Grand Rapids, and the City of Dearborn, and for each Pending Tribunal Case in one-half or 50% of the following taxing jurisdictions: City of Ann Arbor, City of Taylor, City of Lincoln Park, Canton Twp., Redford Twp., City of River Rouge, City of Romulus, City of Allen Park, City of Woodhaven, Ypsilanti Twp., Van Buren Twp., City of Westland, City of Hamtramck, and City of Dearborn Heights. For purposes of this Stipulation, "Pending Tribunal Cases" means MichCon's and Detroit Edison's currently pending cases in the Michigan Tax Tribunal challenging primarily the values placed by local taxing jurisdictions upon their gas distribution, electric transmission, and electric distribution personal property.

This Stipulation, proposed Consent Judgment, and Schedule to Consent Judgment constitute the entire agreement between the parties, written or otherwise, as to the property's assessments for the tax years at issue. The parties agree that their stipulation regarding the subject property's true cash, assessed and taxable values is only for settlement purposes.

The parties hereby stipulate to entry of a Consent Judgment and Schedule to Consent Judgment in the form attached to this Stipulation.

(Remainder of Page Intentionally Left Blank)

HONIGMAN MILLER SCHWARTZ AND COHN LLP
Attorneys for Petitioner

<<RESPONDENT>>

By: _____
STEVEN P. SCHNEIDER (P46605)
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(313) 465-7544

By: _____
<<AttyAssr>>
<<Address_Line_1>>
<<Address_Line_2>>
<<CityStateZip>>

Dated: _____

Dated: _____

STATE OF MICHIGAN,
DEPARTMENT OF TREASURY

and

By: _____
ROSS H. BISHOP (P25973)
Assistant Attorney General
525 W. Ottawa - 2nd Floor
P.O. Box 30754
Lansing, MI 48909
(517) 373-3203

By: _____
(SIGNATURE)

(PRINTED NAME)

Its: _____
(An Official Authorized to Execute Contracts)

Dated: _____

Dated: _____

and

TREASURER

By: _____
(SIGNATURE)

(PRINTED NAME)

Treasurer for <<Respondent>>

Dated: _____

| Michigan Consolidated Gas Company | |
|--|--------------|
| | |
| Stipulation Attachment | |
| | |
| Reconciliation Schedule | |
| Tax Year 20xx for Assets as of 12/31/xx | |
| | |
| | |
| | |
| | |
| | Total |
| Utility Plant (101 - 106, 114, 118) | \$ - |
| Construction Work In Progress (107) | - |
| Non-Utility Plant (121) | - |
| Capital Leases - Real Property | - |
| Total MPSC Costs | \$ - |
| | |
| | |
| | |
| <u>Adjustments:</u> | |
| Intangible Plant | \$ - |
| CWIP Real | - |
| Real Property | - |
| Non-Reportable Personal Property | - |
| Vehicles | - |
| Underground Storage | - |
| Buildings on Leased Land | - |
| Vector Pipeline | - |
| Exemptions | - |
| FASB 143 | - |
| Reported Personal Property Cost other than T & D | - |
| Total Adjustments | \$ - |
| | |
| Net MPSC Costs | \$ - |
| | |
| | |
| Personal Property Costs per Renditions | \$ - |
| | |
| Adjustments: | - |
| | |
| Reported Tangible Personal Property | \$ - |

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
MICHIGAN TAX TRIBUNAL**

MICHIGAN CONSOLIDATED GAS COMPANY,

Petitioner,

v.

Docket No. <<DocketNo>>

<<RESPONDENT>>,

Respondent,

and

**STATE OF MICHIGAN,
DEPARTMENT OF TREASURY,**

Intervening Respondent.

CONSENT JUDGMENT

TRIBUNAL JUDGE PRESIDING

Petitioner, Respondent and the Intervening Respondent have entered into a stipulation which is attached to this Consent Judgment, incorporated by reference herein and accepted by the Tribunal. In their stipulation these parties have agreed to the taxable values, true cash values and state equalized valuations of utility personal property in the amounts shown on the attached schedule, and have agreed that the revised 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005 taxable values, assessments and state equalized values, as shown on the attached schedule, will be entered on the assessment rolls at the times indicated and, for the 1998-1999 tax years, if certain conditions occur.

The parties have also agreed to waive certain refunds, interest, and penalties in exchange for specific future performance, and have specified the consequences of a failure to perform.

The parties have defined the term "Capitalized Costs" in the Stipulation, which will be used in this Consent Judgment and means, for the applicable tax years, the original cost of personal property capitalized for Michigan Public Service Commission rate-making purposes as reported by Petitioner in its 2005 Personal Property Statements;

The stipulation has been accepted by the Michigan Tax Tribunal, and

IT IS HEREBY ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the years shown above shall correct or cause the assessment rolls to be corrected to reflect assessment, taxable value and state equalized value for the year 2005 in the amounts shown on the attached schedule, subject to the process of equalization, within 20 days after entry of this Judgment.

IT IS FURTHER ORDERED AND ADJUDGED that the officer charged with keeping the assessment rolls for the 2000-2004 tax years shall correct or cause the assessment rolls to be corrected to reflect assessments, taxable values and state equalized values in the amounts shown on the attached schedule, subject to the process of equalization, on or within thirty (30) days after October 1, 2007 for the 2000 tax year; on or within thirty (30) days after October 1, 2008 for the 2001 tax year; on or within thirty (30) days after October 1, 2009 for the 2002 tax year; and on or within thirty (30) days after October 1, 2010 for the 2003 and 2004 tax years.

IT IS FURTHER ORDERED AND ADJUDGED that the resulting assessment(s), as equalized, shall equal but shall not exceed 50% of the true cash value shown on the attached schedule.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Respondent, the Respondent, including its assessor and board of review, shall utilize the STC's 2005 STC personal property tables (including 2005 Table H for gas distribution assets and 2005 Table I for electric transmission and distribution assets as shown on STC/Department of Treasury Form 3589 entitled "2005 Cable Television and Utility Personal Property Report," hereafter, the "2005 STC Tables") in establishing the true cash, assessed and taxable values of the subject property for the next three (3) tax years, 2006, 2007 and 2008.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to the agreement of the Petitioner, the Property Tax Administrator of Petitioner shall report, for Michigan personal property tax purposes, Capitalized Costs in the 2006 tax year, and will continue to do so for the 2007 and 2008 tax years, so long as Respondent uses 2005 STC Tables to value such reported costs. Petitioner will, by May 1 of the applicable tax year, provide the Intervening Respondent's Assessment and Certification Division staff ("Staff") with electronic copies of all personal property tax statements after they are filed with each local governmental unit, and with a cost reconciliation document in the format of the Reconciliation Schedule attached to the parties' Stipulation so that Staff may compare personal property costs reported to taxing jurisdictions with Capitalized Costs. The personal property statements shall be kept confidential. Staff shall report its findings to the STC by November 15 of the tax year at issue.

IT IS FURTHER ORDERED AND ADJUDGED, in accordance with the agreement of the parties, that:

- A. In the event the Respondent fails to utilize the 2005 STC tables, including 2005 Table H for gas distribution assets and Table I for electric transmission and distribution assets, in valuing the subject property and any additions, for any of the tax years 2006 or 2007, the Petitioner may

return to the Tribunal for enforcement of this Consent Judgment. Upon reasonable proof through Affidavit accompanied by supporting documentation that the Respondent has failed to utilize the 2005 STC tables, the Tribunal, after an evidentiary hearing finding that Respondent has failed to utilize the 2005 STC tables, shall revise the 1998 or 1999 tax year true cash, assessed and taxable values to the amounts shown in the Schedule to Consent Judgment, and the Respondent shall become liable for the refund of the resulting tax reduction, together with all interest as provided by law. However, if the Respondent files a motion with the Tribunal within the applicable statutory deadline for amending a petition to add the applicable tax year at issue to this case and requests a correction of the assessment roll to reflect values based upon Capitalized Costs and the 2005 tax tables, the Tribunal shall adjust the applicable year assessment roll in a manner described in this paragraph in lieu of revising the assessment roll for the 1998 or 1999 tax year. Specifically, the revised 1998 values will be entered if the 2006 values exceed those values which would be based upon 2005 STC multiplier tables applied to Capitalized Costs; the revised 1999 values will be entered if the 2007 values exceed those values which would be based upon 2005 STC multiplier tables and Capitalized Costs; unless, for the applicable year, Petitioner has failed to provide the personal property statements and Reconciliation Schedule to Staff by May 1 of the applicable tax year, Petitioner, through its Property Tax Administrator, has been notified of such failure by Staff for the applicable tax year; and has not cured such failure within thirty (30) days of receiving Staff's notice.

- B. In the event the Petitioner fails to report for Michigan personal property tax purposes, Capitalized Costs for tax years 2006, 2007 or 2008, the Respondent may return to the Tribunal for enforcement of this Consent Judgment or the Respondent may file a petition pursuant to MCL 211.154 with the State Tax Commission.

The Tribunal retains jurisdiction of this case to enforce the terms of this Consent Judgment. Unless one of the parties files a notice with the Tribunal by December 31, 2010 indicating a possible default with respect to another party's performance hereunder then the Tribunal may issue a final order closing this docket.

The property is located in <<Respondent>>, <<County>> County, <<Schools>> and <<ISD>>.

MICHIGAN TAX TRIBUNAL

Entered: